

BEFORE THE TENNESSEE REGULATORY AUTHORITY AT

NASHVILLE, TENNESSEE

February 20, 2002

IN RE:

APPLICATION FOR THE APPROVAL OF THE
TRANSFER OF CONTROL OF ALLIED RISER OF
TENNESSEE, INC. TO COGENT COMMUNICATIONS
GROUP, INC. TO PROVIDE RESOLD AND FACILITIES-
BASED INTEREXCHANGE TELECOMMUNICATIONS
SERVICES THROUGH THE STATE OF TENNESSEE

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) DOCKET NO.
) 02-00068
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ORDER APPROVING TRANSFER OF AUTHORITY

This matter came before the Tennessee Regulatory Authority (the "Authority" or "TRA") at the regularly scheduled Authority Conference held on February 5, 2002 for consideration of the *Application* (the "*Application*") of Allied Riser of Tennessee ("Allied") and Cogent Communications Group, Inc. ("Cogent"), pursuant to the provisions of Tenn. Code Ann. § 65-4-113, for approval of a transfer of the authority to provide utility services currently held by Allied.

The Application

In their *Application*, Allied and Cogent request that the Authority approve, pursuant to Tenn. Code Ann. § 65-4-113, a merger between Allied and a wholly-owned subsidiary of Cogent to be created to effect the merger. Allied will be the surviving entity following the merger, making Allied a wholly-owned subsidiary of Cogent.

According to the *Application*, which was filed on January 17, 2002, Allied is a Delaware corporation and is certificated to provide telecommunications services in several states, including Tennessee. Allied received its Tennessee certification by Order dated May 22, 2001 in Docket

No. 00-00128. Cogent is a Delaware corporation that provides Internet access to businesses, application service providers, and Internet service providers. Cogent holds no Tennessee certifications. Neither company currently has any customers in Tennessee.

The *Application* states that, while Cogent does not currently provide regulated telecommunications services in any jurisdiction, the company is in the process of acquiring several certificated companies so that it may provide such services in several states. The *Application* further states that Allied and Cogent have not been denied authority in any jurisdiction.

Requirement of and Standards for Authority Approval

Tenn. Code Ann. § 65-4-113 requires a public utility to obtain Authority approval to transfer its authority to provide utility services. Tenn. Code Ann. § 65-4-113(a) provides as follows:

(a) No public utility, as defined in § 65-4-101, shall transfer all or any part of its authority to provide utility services, derived from its certificate of public convenience and necessity issued by the authority, to any individual, partnership, corporation or other entity without first obtaining the approval of the authority.

Tenn. Code Ann. § 65-4-113(b) provides the standards by which the Authority shall consider an application for transfer of authority, in pertinent part, as follows:

(b) Upon petition for approval of the transfer of authority to provide utility services, the authority shall take into consideration all relevant factors, including, but not limited to, the suitability, the financial responsibility, and capability of the proposed transferee to perform efficiently the utility services to be transferred and the benefit to the consuming public to be gained from the transfer. . . .

Public Interest Considerations

According to the *Application*, there will be no change in Allied. It will continue to exist as a Tennessee public telecommunications provider and will continue to operate under its existing tariffs and rates, and no changes in local staffing or day-to-day operations are

anticipated. Allied currently has no Tennessee customers. The *Application* further states that the transfer of control will increase telecommunications competition in Tennessee as well as address the needs of business customers in Tennessee for high-quality Internet access services, as well as other services.

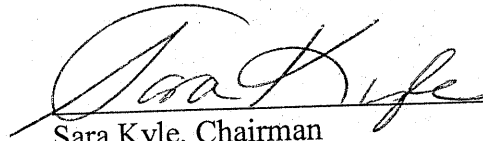
Findings

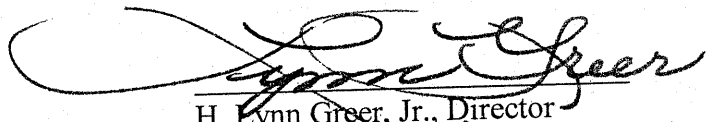
The Directors of the Authority considered this matter at the February 5, 2002 Authority Conference. Based upon careful consideration of the *Application* and of the entire record of this matter, the Authority finds and concludes as follows:

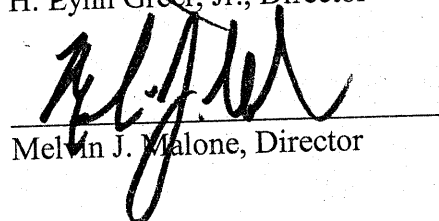
1. The Authority has jurisdiction over the subject matter of this *Application* pursuant to Tenn. Code Ann. § 65-4-113;
2. Allied Riser of Tennessee, Inc. has been granted authority to provide telecommunications services in Tennessee;
3. A merger will take place between Allied Riser of Tennessee, Inc. and a wholly-owned subsidiary of Cogent Communications Group, Inc., resulting in a transfer of the authority granted Allied Riser of Tennessee, Inc. to provide utility services; and
4. The transfer of authority will benefit the consuming public.

IT IS THEREFORE ORDERED THAT:


The *Application* of Allied Riser of Tennessee, Inc. and Cogent Communications Group, Inc. for approval of the transfer of authority described herein is approved.


Sara Kyle, Chairman


H. Lynn Greer, Jr., Director


Melvin J. Malone, Director

ATTEST:


K. David Waddell, Executive Secretary